



Q3 and 9M 2020 RESULTS PRESENTATION

The conference call does not replace the need to review the latest periodic/quarterly reports in which full information is contained, including forward looking information, as defined in the Israeli Securities Law, and set out in the aforementioned reports.

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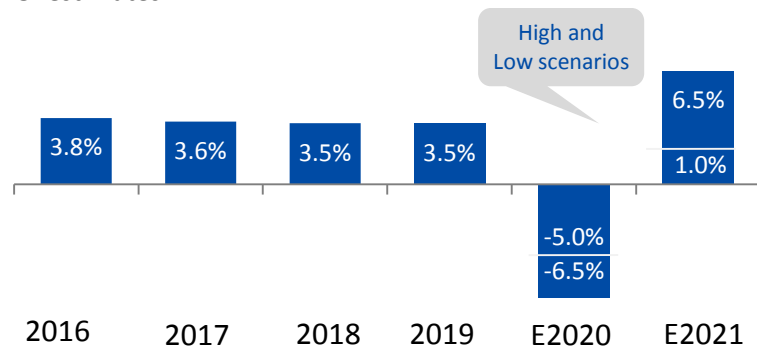
COVID-19, Macroeconomic Factors and Indicators

COVID-19 in Israel, the Economy, GOVT. and BOI and Steps Announced

- **COVID-19** – Lockdown implemented resulted in control on 2nd wave. Gradual return to business from mid-October.
- Currently at approximately 8,000 active cases, down from peak of over 72,000 in early October.
- **Broad unemployment rate*** in October 2020 was 20.3%; as per the BOI, this is expected to improve as per the below
- **GDP decline in first 9M of 2020 ~2.6%** - similar to the US and Germany. Better than the UK and other EU Countries
- **Leumi Estimates a 3.4% decline in GDP in 2020**
- **The BOI announced various steps**, including: interest rate reduction (April), QE in the form of GOVT. bond purchases of up to NIS 85 billion, repo lines for non-bank companies, FX swap lines for banks, Corporate bonds purchase programs, special lines and (0.1%) subsidized interest rate for banks to finance small and micro business lending

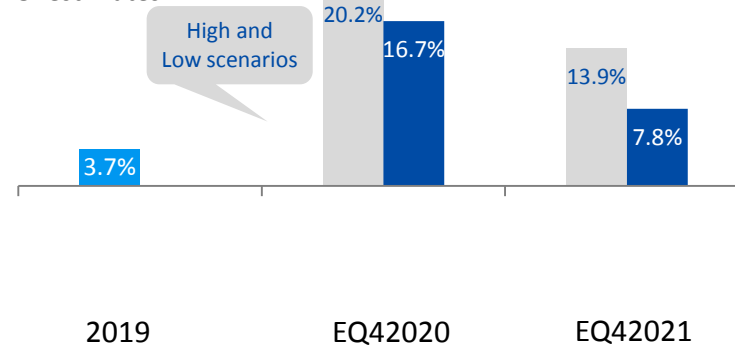
GDP, Rate of Change, Real Terms

BOI estimates



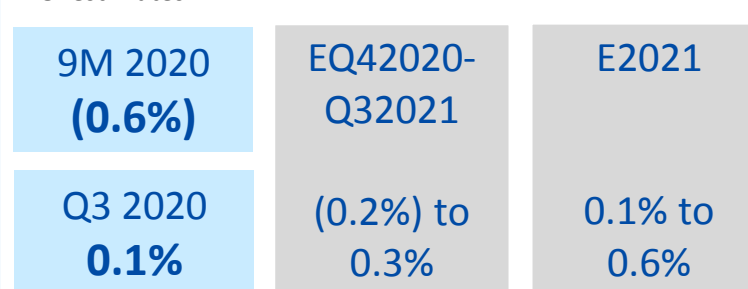
Broad Unemployment, Age Group 15+*

BOI estimates



CPI

BOI estimates



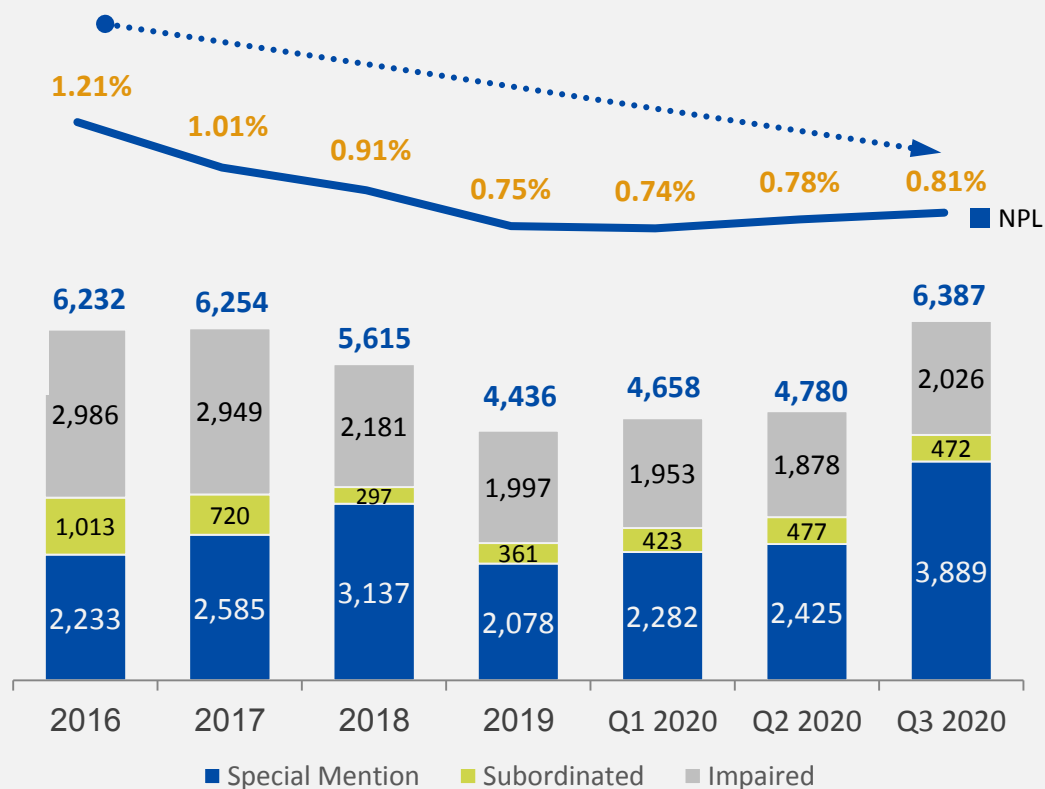
Source: Bank of Israel, Israel Ministry of Finance (MOF), Government Database for the Public data.gov.il. BOI Estimates as of October 22, 2020

3 *Broad Unemployment rate includes employees temporarily absent from their places of work due to the coronavirus crisis and those dismissed since March and who do not currently participate in the workforce



A Long-term View of our Loan Portfolio, Alongside Our Support of Clients Through Payment Deferrals

Troubled Balance-sheet Credit Risk, Net and NPL



Loans and Payment Deferrals as of September 30, 2020⁽¹⁾

	Outstanding loans for which payments were deferred:	Of which, actual payments deferred totaled:	Loans whose deferment date has ended	Of which, in arrears of 30 days or more
Corporations	1,273	68	1,062	-
Mid-sized businesses	758	73	2,220	-
Small- and micro-businesses	4,636	507	5,464	34
Private individuals – without housing loans	1,820	172	1,255	15
Housing Loans	9,210	374	11,689	76
Foreign Operations	1,643	49	1,238	110
Total	19,340	1,243	22,928	235

(NIS Millions)

Troubled Balance-sheet Credit Risk, Net – Includes the balance sheet items

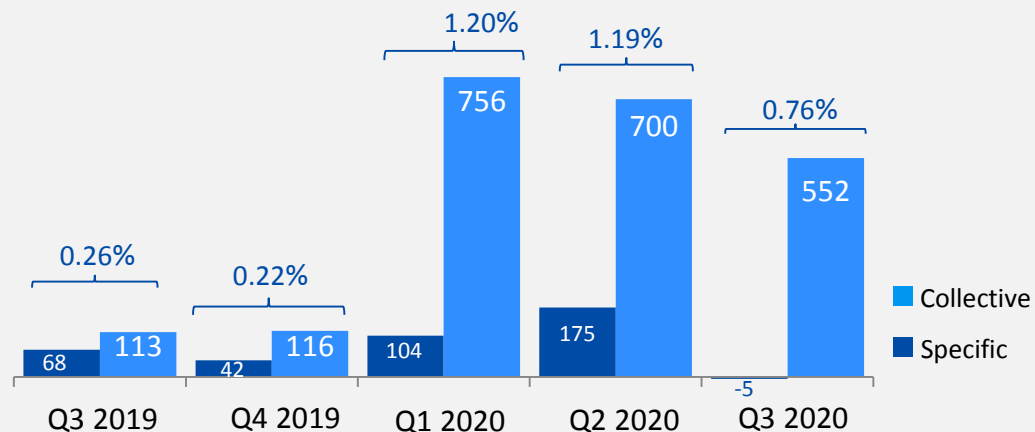
NPL ratio: Non-accrual impaired loans to the public/Total loans to the public,

(1) Due to COVID-19. Customer type as per Regulatory Approach in the Financial Statements

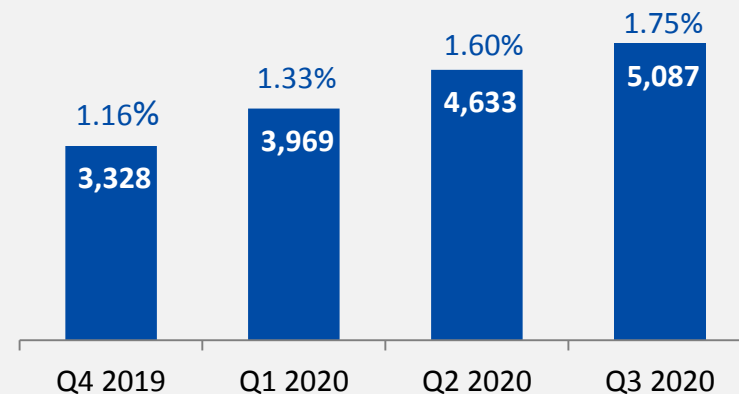


Monitoring our Loan Portfolio in Light of COVID-19

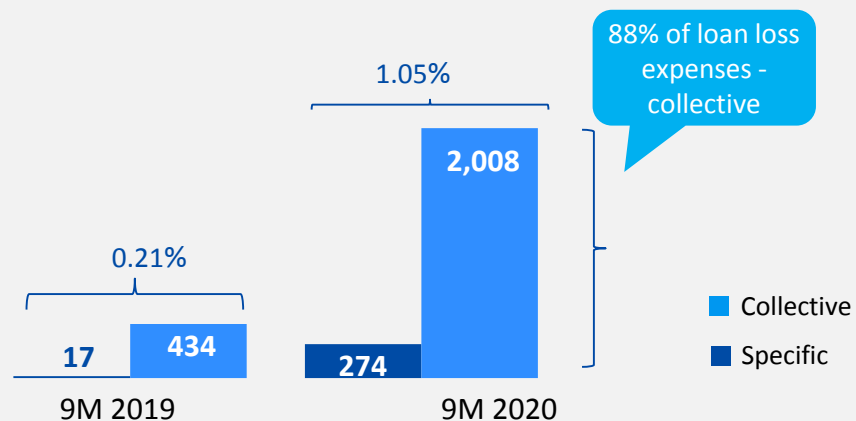
Loan Loss Expenses – Q3 2019 through Q3 2020



Loan Loss Provisions (NIS millions, as % of Loans to the Public)*



Loan Loss Expenses – 9M 2019 vs. 9M 2020



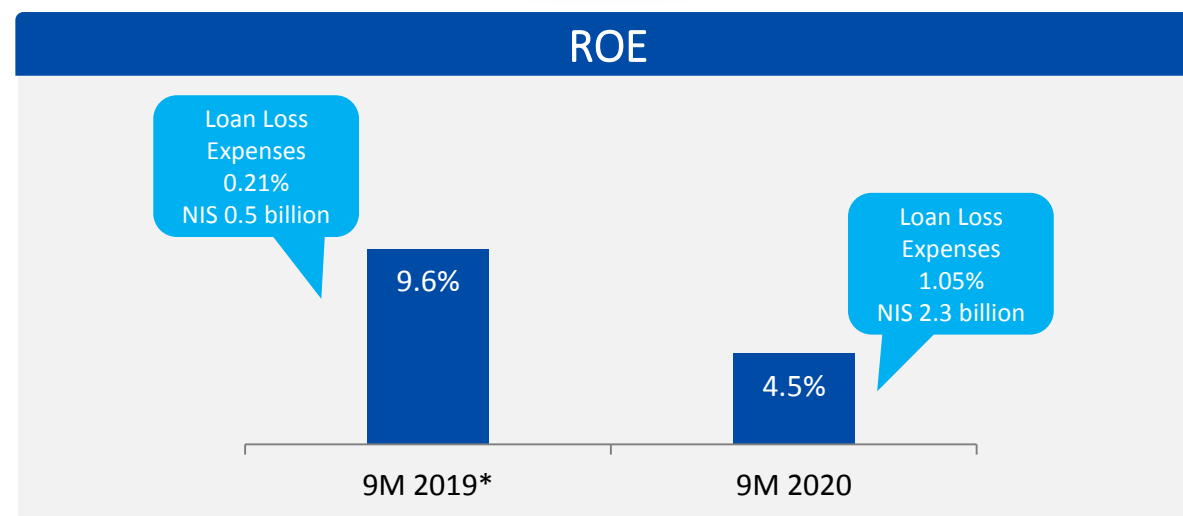
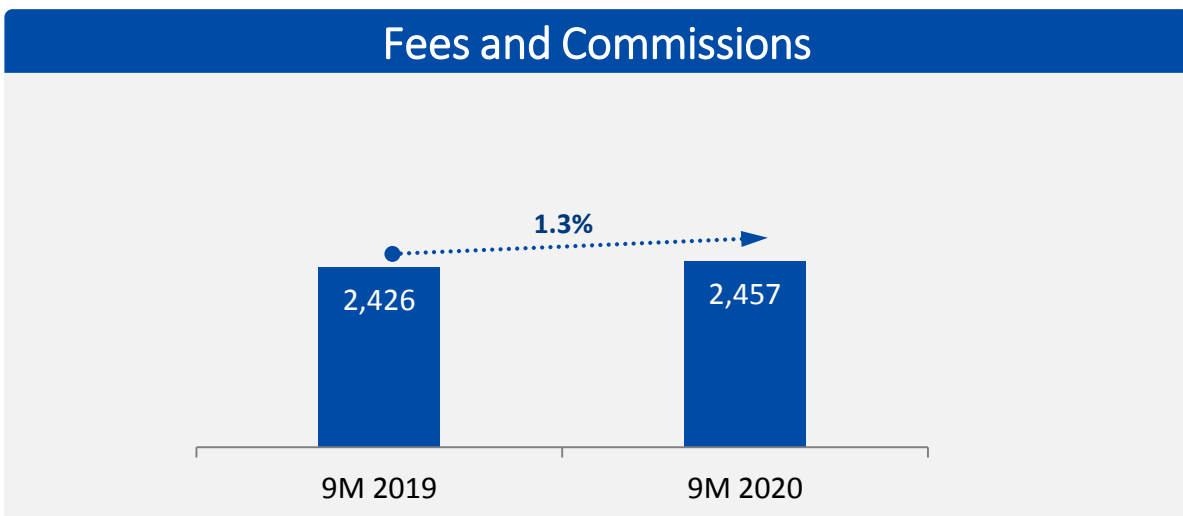
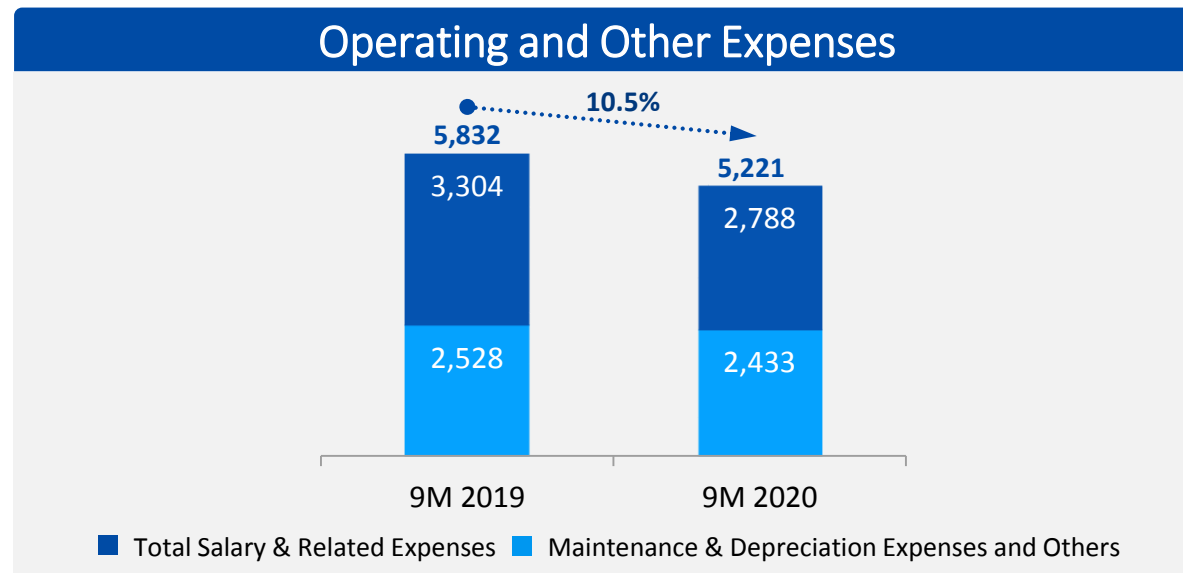
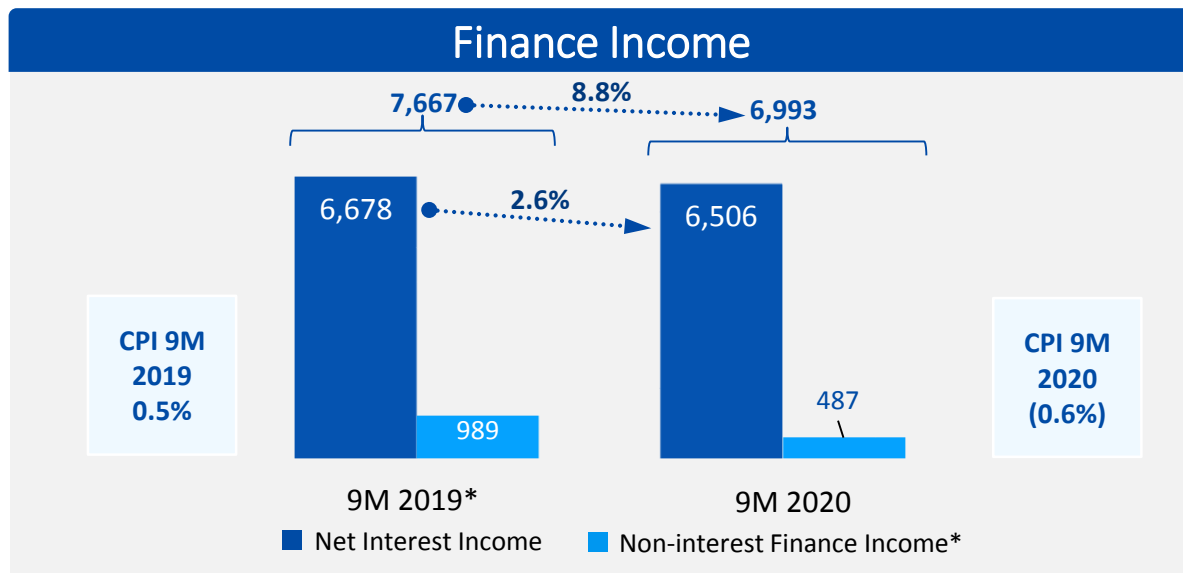
(NIS Millions)

*Does not include provision for off-balance sheet items

NPL: Impaired debt, net of public debts under restructuring, accruing interest income/Total debt



9M 2019 vs. 9M 2020 – Breakdown of Income and Expenses

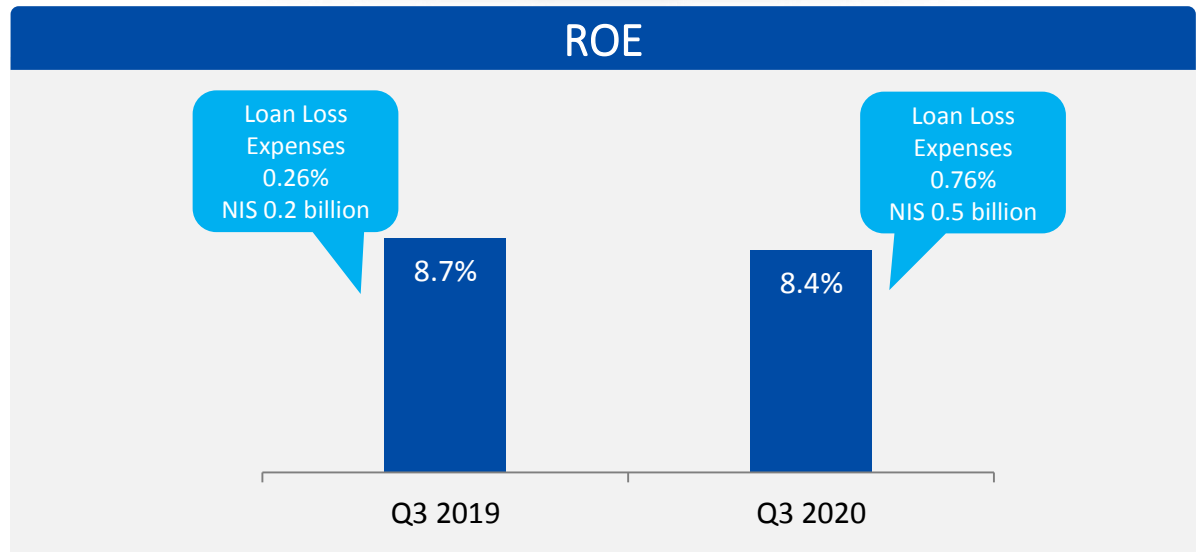
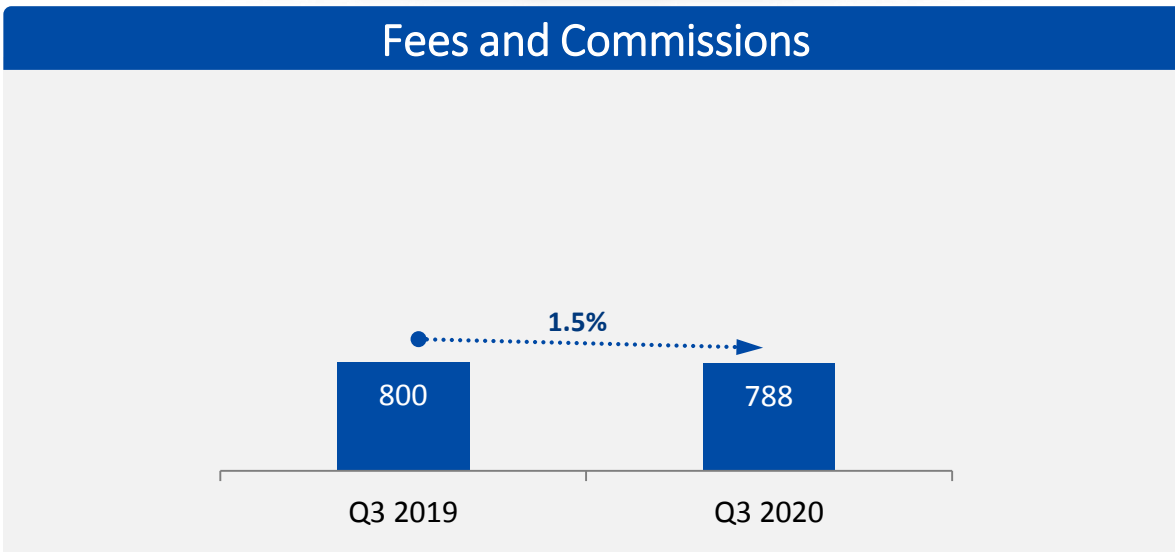
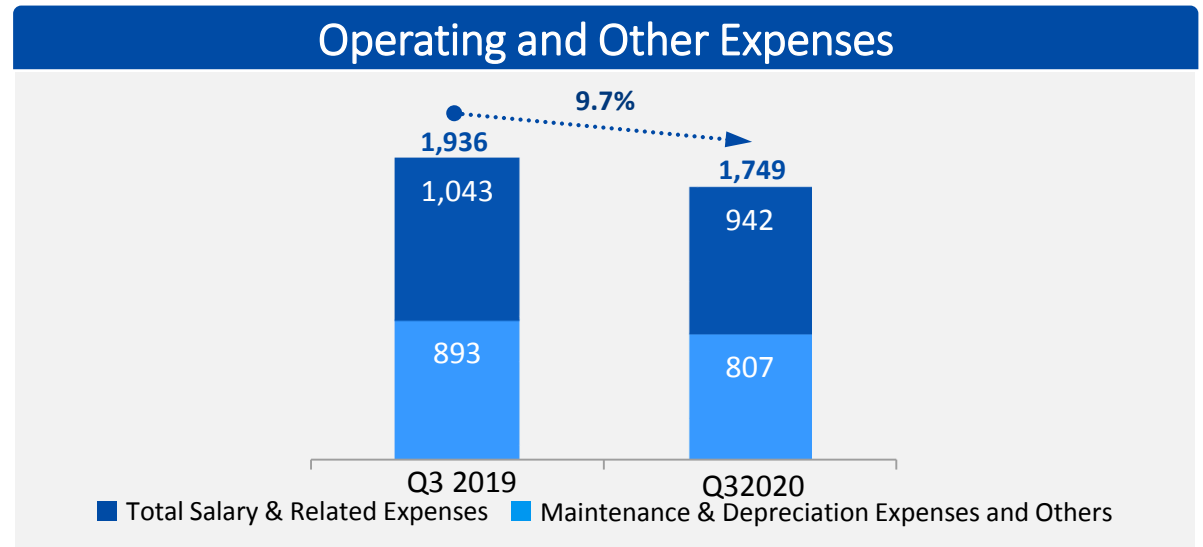
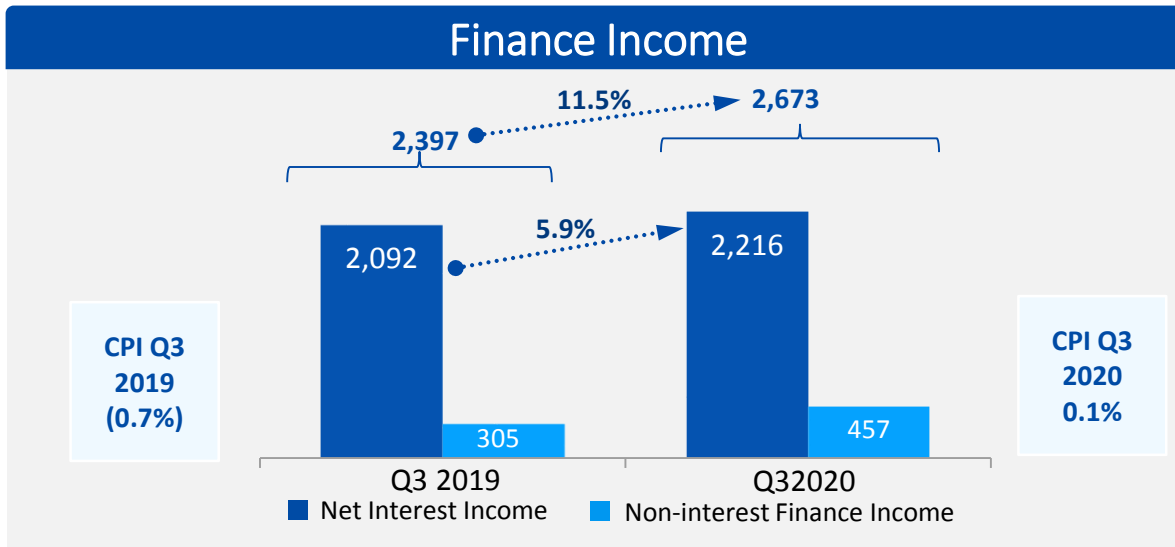


(NIS Millions)

6 *9M 2019 - Excluding the sale of Leumi Card as per the financial statements (Non-interest finance income, ROE)



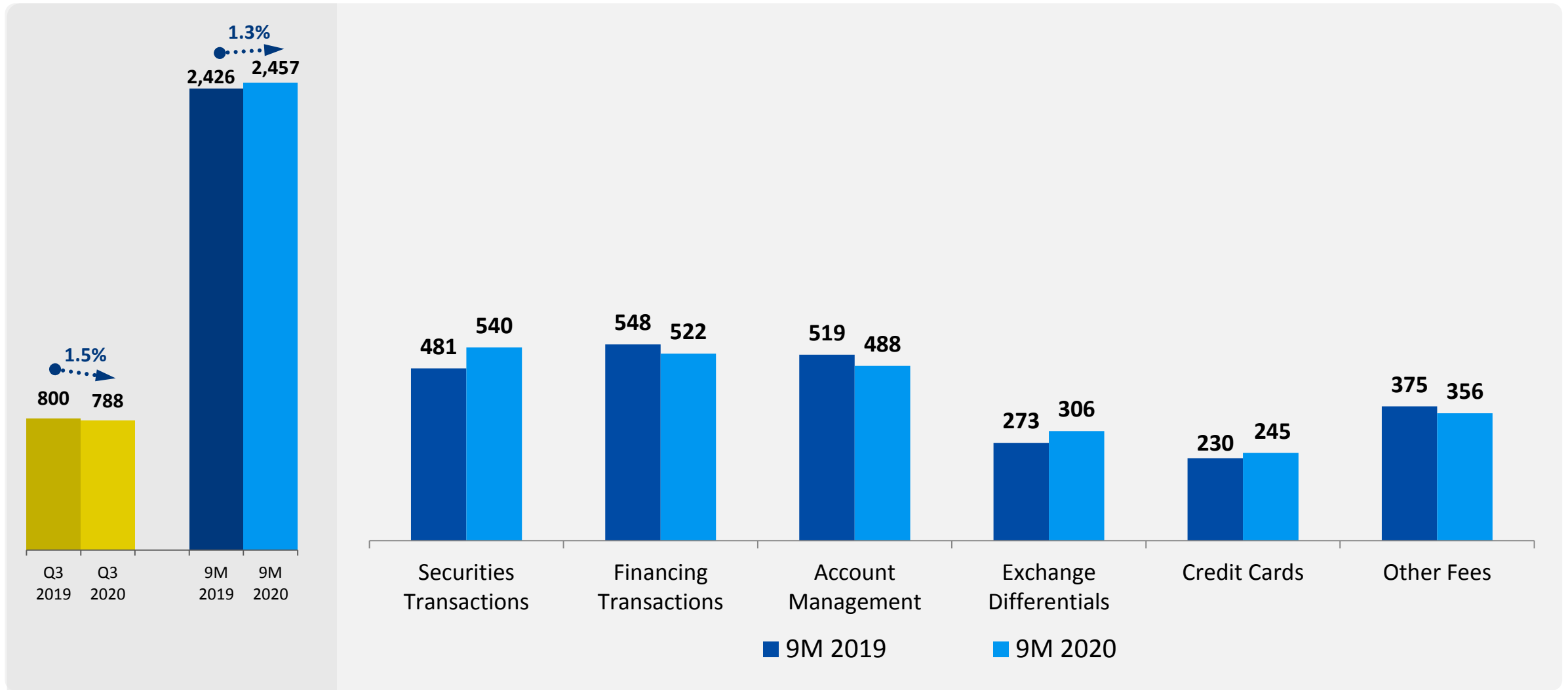
Q3 2019 vs. Q3 2020 – Breakdown of Income and Expenses



(NIS Millions)



9M 2019 vs. 9M 2020 - Fees and Commissions Performance

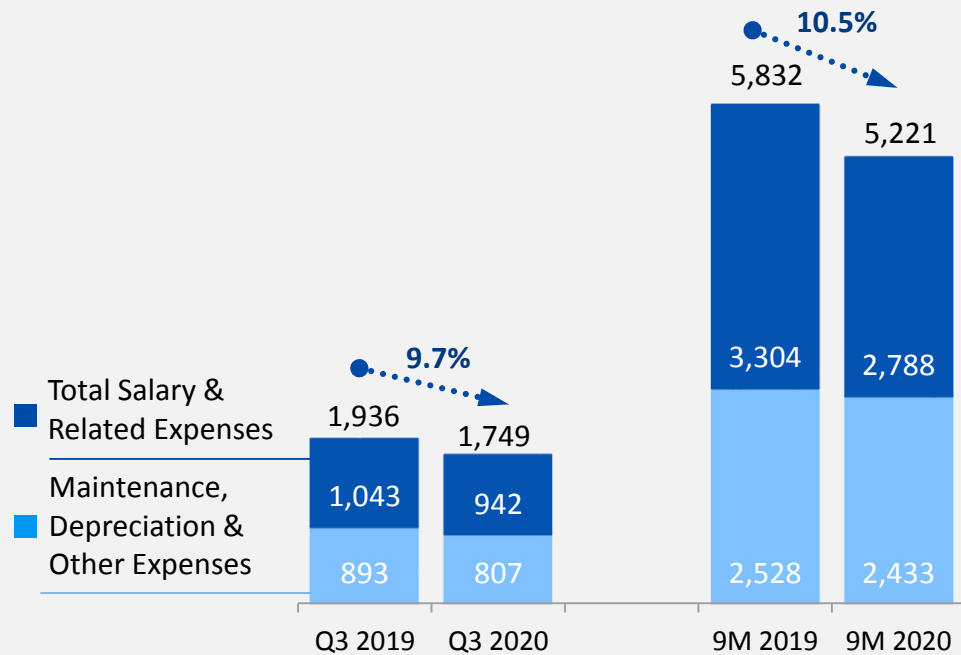


(NIS Millions)

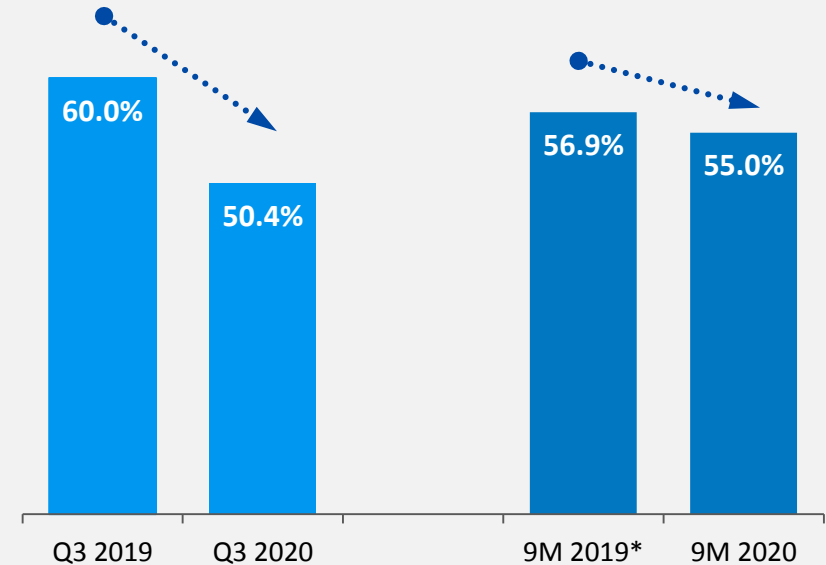


Q/Q and 9M/9M - Focus on Reducing Costs Continues

Disciplined Cost Structure



Cost-income Ratio

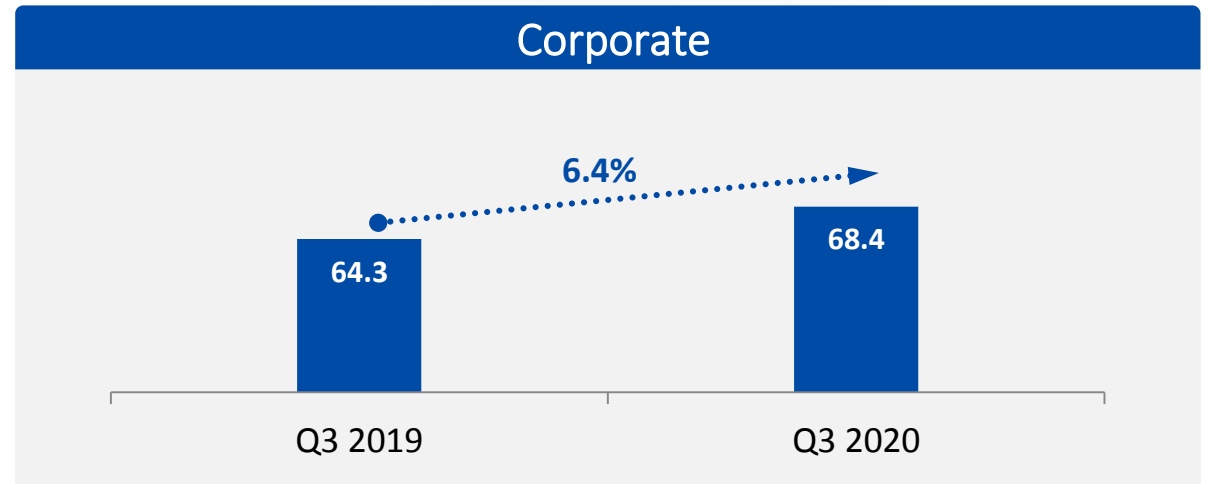
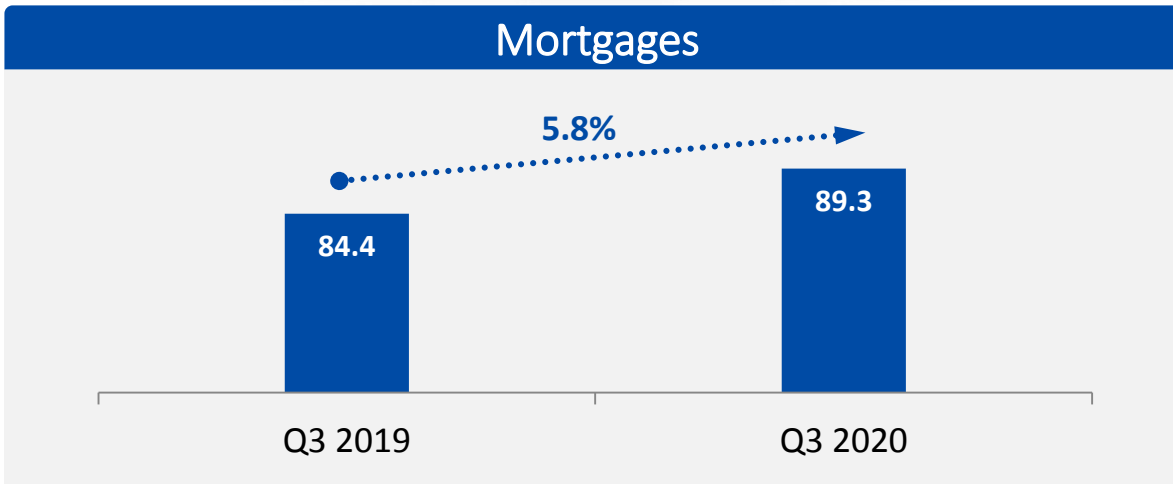
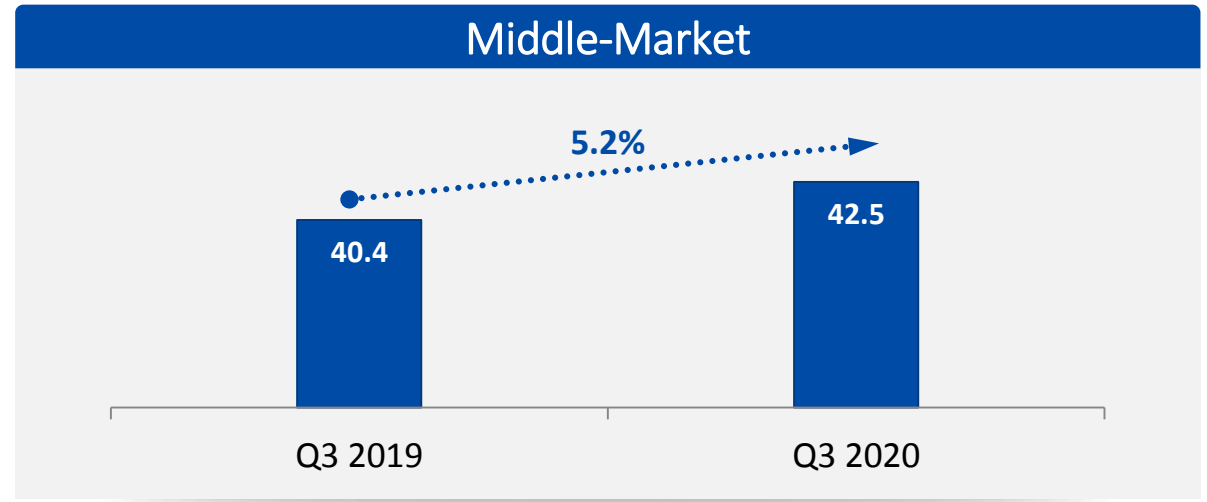
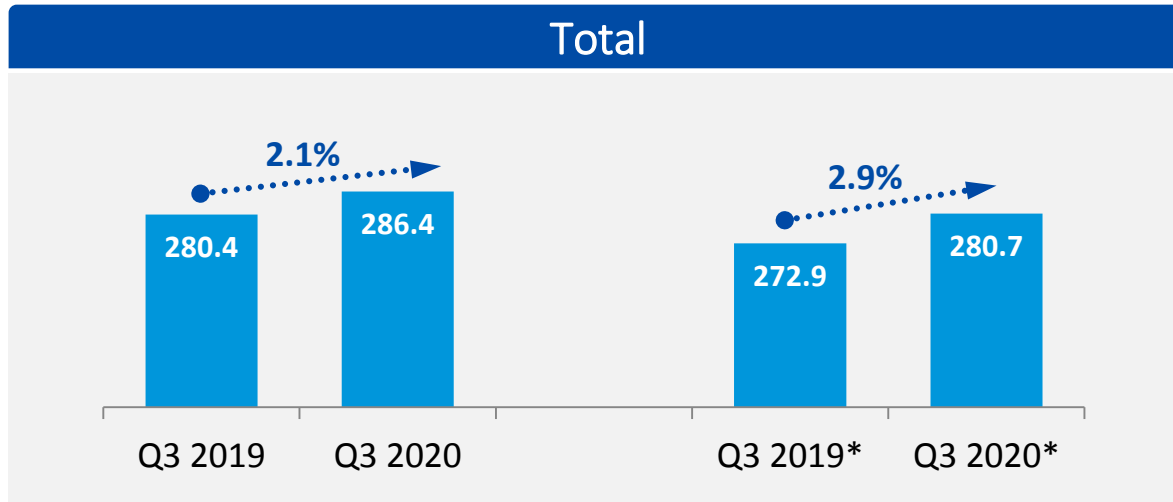


NIS Millions

*9M 2019 - Excluding the sale of Leumi Card NIS 314M



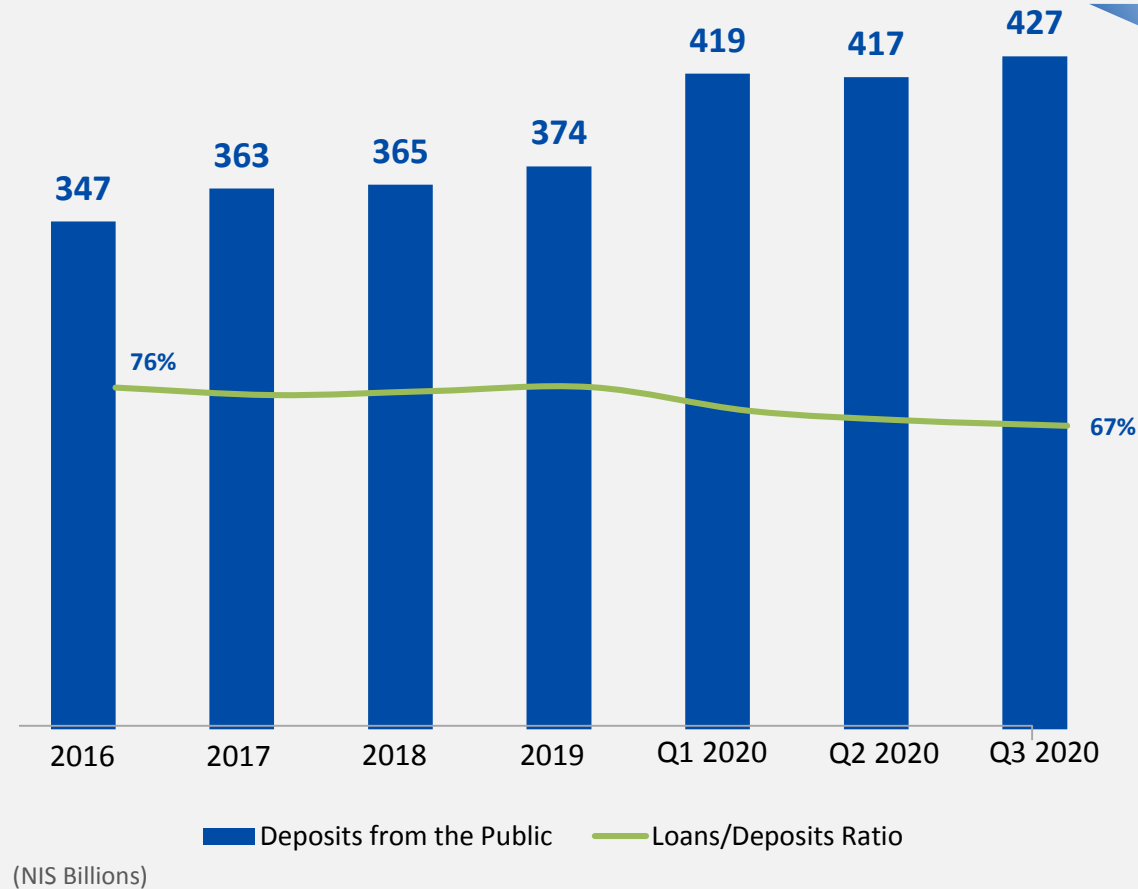
Loan Growth Continues in Line with Strategy



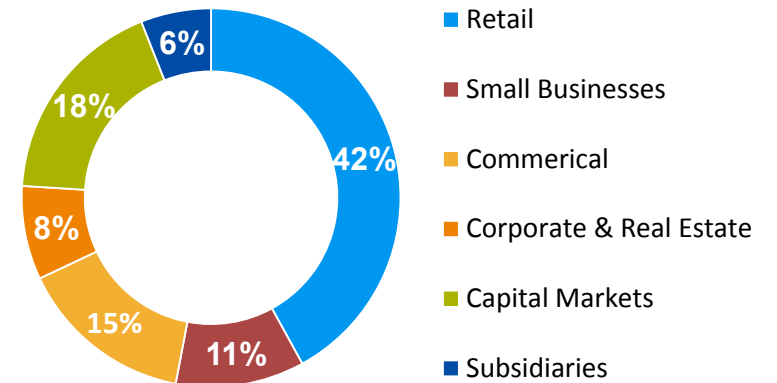
(NIS Billions)
* Total without Capital Markets
Corporate includes Corporate and Real-Estate



Solid and Diverse Deposit Base. Conservative, Well-funded Portfolio



Deposits from the Public September 30, 2020



Regulatory Easements and Requirements

Capital Requirement

- CET1 – reduced by 1% to 9.24%
- TCR – reduced by 1% to 12.74%
- Revised guidance extended till March 31, 2021

Leverage Ratio

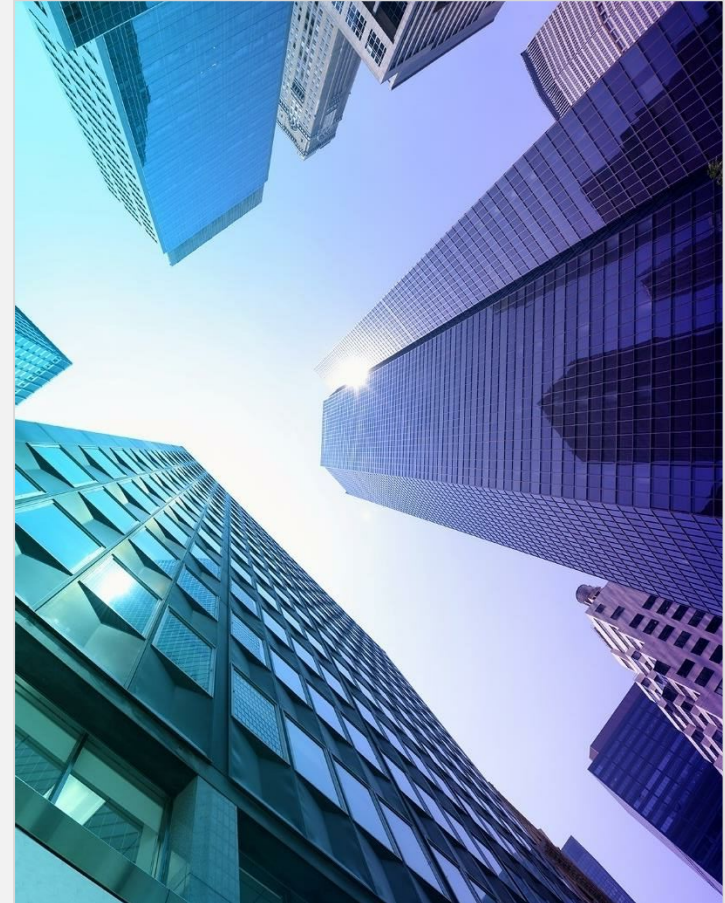
- Announced reduction from 6.0% to 5.5% in November 2020

Dividends

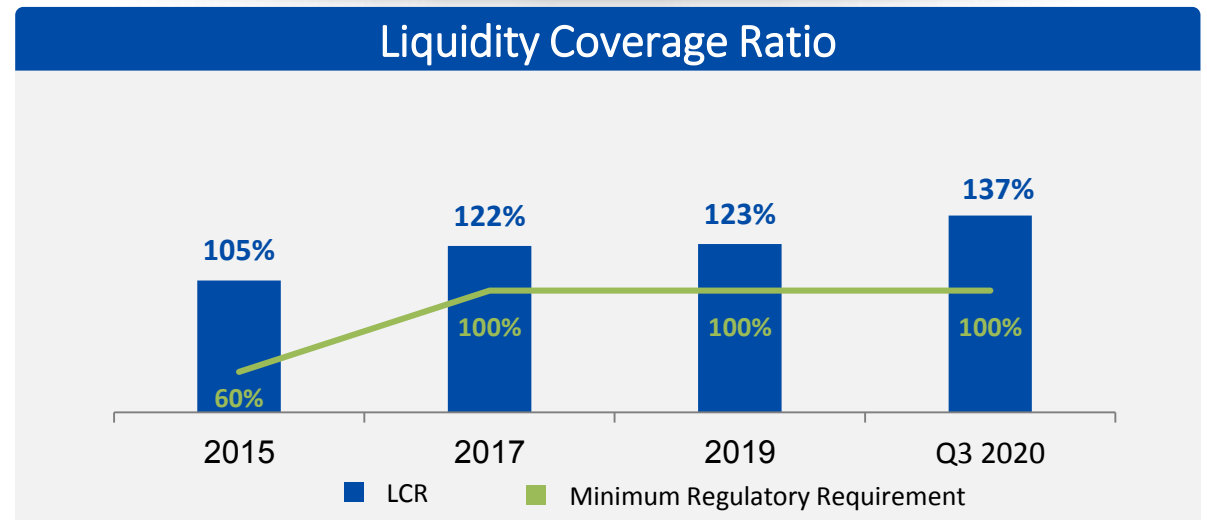
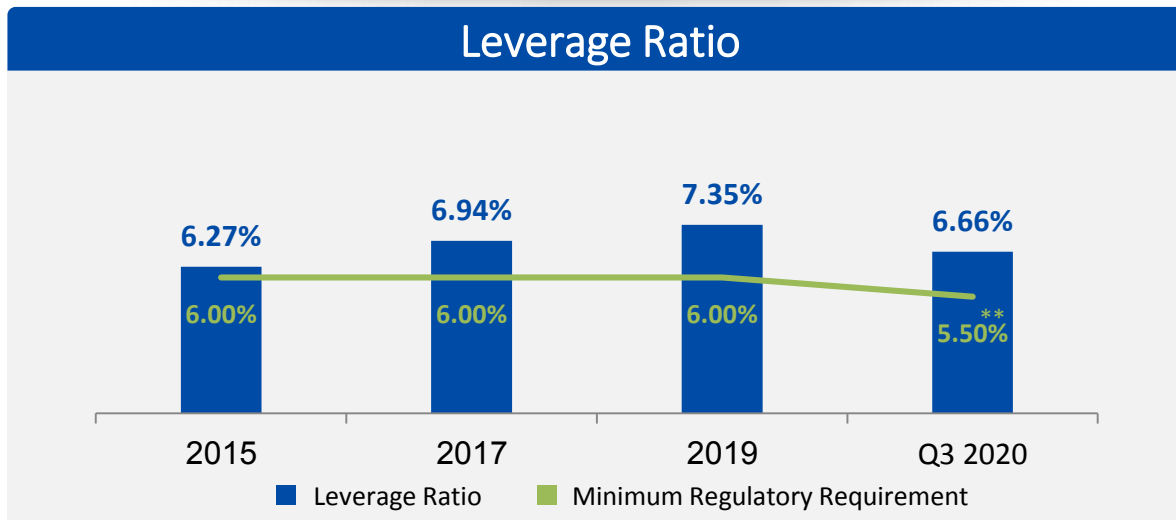
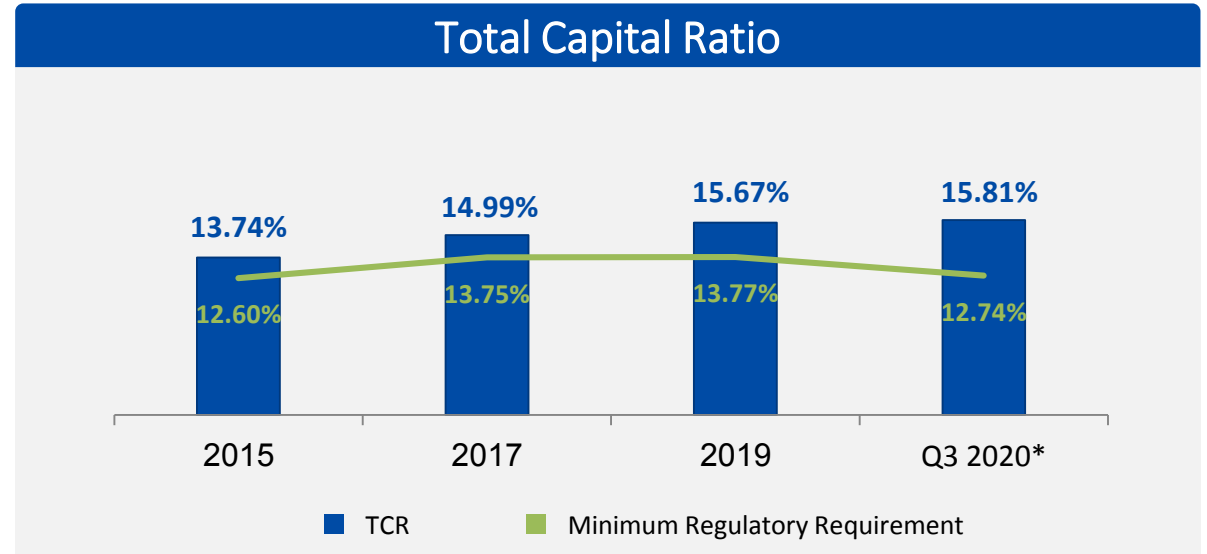
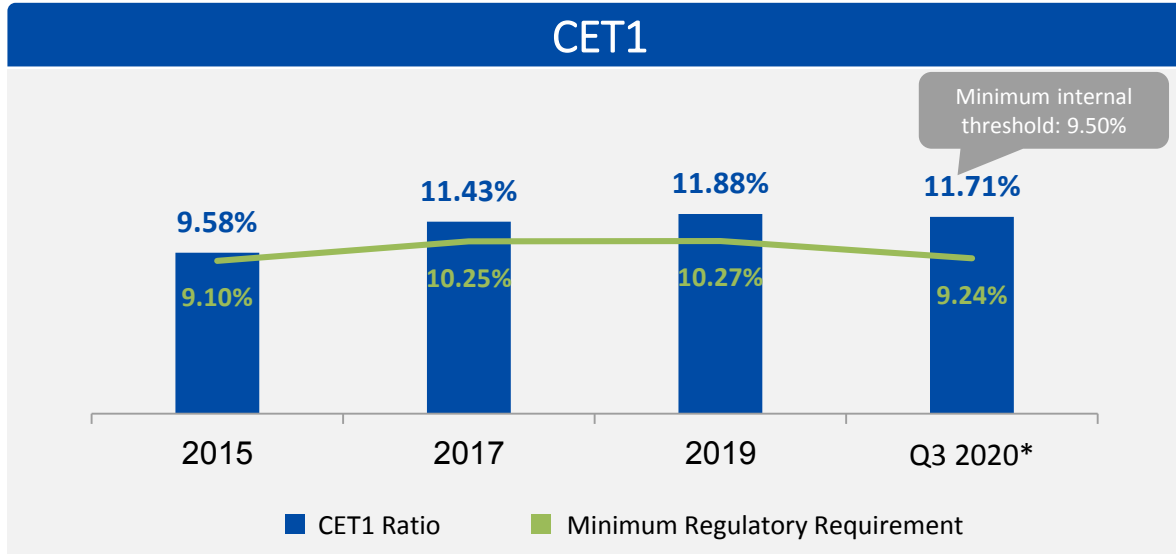
- Distribution plan implementation put on hold

Buyback

- 1st stage - NIS 250 million completed on April 2, 2020
- Remainder of implementation put on hold



Solid Capital, Leverage and Liquidity Ratios



* Revised Guidance Extended till March 31, 2021

13 ** Revised Guidance till March 31, 2021. Minimum regulatory threshold of 5.5% announced in November 2020. Was 6% as of September 2020





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Q&A



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THANK YOU